

## BOARD of DIRECTORS' MEETING

**Thursday, January 24, 2008  
10:00 a.m.**

### AGENDA

Imperial Irrigation District  
1285 Broadway  
El Centro, CA  
(760) 564-4888

#### CALL TO ORDER, Pledge of Allegiance

**PUBLIC COMMENT:** *Any member of the public may address and ask questions of the Board relating to any matter within the Authority's jurisdiction. This time is reserved for matters not already on the Agenda. Remarks shall be limited to a maximum of three minutes unless additional time is authorized by the Board.*

#### CONSENT CALENDAR – Approve, Receive and File

- A. Minutes: December 20, 2007, (Attachment 1, Pages 1-3)
- B. Warrant Register Ratification 12/01/2007 to 12/30/07 issued by the SSA, (Attachment 2 , Page 4)
- C. Bank Balance as of 12/31/07 and Cash Flow Projection 01/02/07 – 4/30/08, (Attachment 3, Page 5)

#### OLD BUSINESS

- 1. Salton Sea Authority Reorganization
  - A. Lease Agreement with Harsch Development, (Attachment 4 , Pages 6-7)
  - B. Authority Office Relocation
  - C. Member Agency Contributions
- 2. Legislation
  - A. Governance Structure update
  - B. SB 187 update

#### NEW BUSINESS

- 3. Member Information / Discussion / Correspondence / Upcoming Meetings & Events
- 4. Next Scheduled Board Meeting: February 28, 2008, 10:00 am at Torres Martinez Desert Cahuilla Indian Headquarters , 66725 Martinez Rd., Thermal CA 92274.

#### ADJOURNMENT

# OFFICIAL PROCEEDINGS

## SALTON SEA AUTHORITY

### BOARD OF DIRECTORS MEETING

### December 20, 2007

#### **CALL TO ORDER**

The regularly scheduled meeting of the Salton Sea Authority (Authority) Board of Directors (Board) was called to order by Peter Nelson, Board President, at 2:07 p.m., December 20, 2007, at the Imperial Irrigation District in LaQuinta, CA.

#### **BOARD OF DIRECTORS' PRESENT**

Marion Ashley, Secretary  
Jim Hanks  
Corky Larson  
Al Loya, Vice President  
Peter Nelson, President  
Roy Wilson  
Larry Grogan

#### **AGENCY**

Riverside County  
Imperial Irrigation District  
Coachella Valley Water District  
Torres Martinez Tribe  
Coachella Valley Water District  
Riverside County  
Imperial County

#### **BOARD OF DIRECTORS' ABSENT**

Gary Wyatt  
Stella Mendoza  
Maxine Resvaloso

#### **AGENCY**

Imperial County  
Imperial Irrigation District  
Torres Martinez Tribe

#### **PUBLIC COMMENT:**

No public comment

#### **CONSENT CALENDAR**

- A. Approval of Minutes – October 25, 2007
- B. Warrant Register Ratification 10/01/07 to 11/30/07
- C. Bank Balance as of 12/05/07 and Cash Flow Projection 12/05/07 – 4/30/08

*A motion was made by Roy Wilson and seconded by Jim Hanks to approve the Consent Calendar. There were no objections. The motion carried.*

## **OLD BUSINESS**

### **1. SALTON SEA REORGANIZATION**

#### **A. LEASE AGREEMENT**

Director Nelson informed the Board that Best, Best & Krieger had contacted Harsch Development about terminating the lease. Mr. Hargreaves stated that Harsch Development would let the Authority out of the lease for \$0.50 on the dollar. Director Nelson asked about paying 50% of the total lease and the ability to stay at the location. Mr. Hargreaves indicated that this was not an option. Supervisor Wilson discussed the availability of office space at the Workforce Development Center at Fred Waring and Monroe in Indio.

Supervisor Grogan made a motion to negotiate with Harsch Development for 40% instead of 50%. The motion was seconded by Director Larsen. Prior to the vote, Supervisor Wilson proposed offering the landlord 30% in lieu of the 40%. Mr. Hargreaves noted that due to meeting only once a month the Board would need to act expeditiously or lose another month's rent.

*Supervisor Grogan amended the original motion to counter the 50% requested by the landlord with a 30% offer. The motion included the authorization for Supervisor Wilson and Director Larsen to approve the counter offer process. Director Hanks seconded the motion. There were no objections and the motion carried.*

#### **B. STAFF SUB COMMITTEE REPORT**

Director Nelson reported that for the Authority to work within budget, the staff committee was to meet to eliminate one position. Due to the resignation of Laura Green the staffing situation had worked itself out.

#### **C. STATUS OF MEMBER AGENCY CONTRIBUTIONS**

Director Nelson inquired about the status of contributions from the member agencies. Mr. Cain reported that all member agencies with the exception of IID and the Torres Martinez had made their contributions. Director Nelson noted that he had spoken with Director Loya and would be contacting the Tribal Council about their contribution. Director Hanks stated that the item was discussed at IID's December 18<sup>th</sup> meeting and there were a couple of issues their legal council wanted to brief the IID board on so the item was tabled.

### **2. LEGISLATION**

#### **A. GOVERNANCE STRUCTURE & SB187**

Director Nelson updated the Board on a recent meeting that was held regarding governance formation. Drafts of the governance structure are currently being circulated with the proposed governance structure being made up of 14 members. Director Larsen discussed her concerns about the state having full veto power. Supervisor Wilson added that the state will put the project on a low priority due to budget crisis the state is in. Supervisor Ashley reaffirmed the state crisis and suggested the state push the project back down to the local level. Director Nelson concurred that the state has no incentive to pursue the project at this time.

Ms. Pat Cooper provided the Board with an update of Senator Ducheny's office efforts towards SB187. Ms. Cooper reported that the Senator is planning to go back to the Assembly and explain

how important Salton Sea restoration is to the region. Ms. Cooper recommended the Board prepare and submit any changes they may have to the current language of the bill. Ms. Cooper was unsure if SB 187 would be submitted with the governance structure as a part of the bill or if the governance structure would be a separate bill.

The Board selected a subcommittee made up of Director Larsen, Supervisor Ashley and Mr. Hargreaves to meet the 1<sup>st</sup> week in January, 2008 to draft a letter with recommended changes. A conference call was scheduled for Thursday January 3, at 9:30 a.m. to work on the letter.

### **NEW BUSINESS**

#### **3. MEMBER INFORMATION/DISCUSSION/CORRESPONDENCE/UPCOMING MEETINGS & EVENTS**

Director Nelson discussed the Authority's financial situation and the possibility of discussing member agency contributions with the Tribal council and IID Board members.

The next board meeting will be held January 24, 2008 at the Imperial Irrigation District, 1285 Broadway, El Centro at 10:00 a.m.

### **ADJOURNMENT**

There being no further business Peter Nelson adjourned the meeting at 2:50 p.m.

**Warrant Register**  
**Dec 1 through Dec 31, 2007**

*Salton Sea Authority*

<b>Warrant Date</b>	<b>Warrant Number</b>	<b>Vendor Name</b>	<b>Amount</b>
12/06/07	14025	Harsch Realty Plaza	\$ 3,464.00
12/06/07	14026	Mail Boxes - Pack & Ship	19.59
12/06/07	14027	Gloria J Sampson Acct Sv	1,430.00
12/12/07	14028	ADT	117.81
12/12/07	14029	Best Best & Krieger	316.59
12/12/07	14030	Office Depot	1.71
12/17/07	14031	Dan Cain	285.44
12/17/07	14032	California Strategies	20,000.00
12/17/07	14033	Gloria J Sampson Acct Sv	2,630.00
12/17/07	14034	Tetra Tech Division	50,000.00
		Total	78,265.14

<b>Salton Sea Authority</b>					
<b>Cash Flow Projection 01/01/08 - 4/30/08</b>					
	<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>Apr-08</b>	<b>Total</b>
Bank balance as of 1/1/08	237,937	26,592	(122)	(3,586)	237,937
Less Accounts Payable invoices received as of 1/1/08	(98,166)		(38,581)		(136,747)
Revenues receivable as of 12/12/07:					
Indian Gaming Fund	100,000				100,000
IID	-				-
Torres Martinez	-				-
RWQCB - to be invoiced 01/08	38,581		38,581		38,581
Balance of funds available					138,581
after current A/P obligation is paid					239,771
Less reserves for:					
Employee accrued leave 02/08	(1,000)				(1,000)
Office move	(10,000)	(1,000)			(10,000)
Indian Gaming reimbursement	(60,000)	(10,000)			(60,000)
Audit - 2006/2007 annual	(15,000)				(15,000)
Lease buy-out beyond 04/30/08	(3,464)				(3,464)
USGS project funds (303)	(20,045)				(20,045)
Fish clean-up	(49,028)				(49,028)
IID wetlands O&M	(53,928)				(53,928)
<b>Unobligated cash remaining</b>	<b>27,306</b>				
<b>Monthly operating expenses:</b>					
Rent	3,464	(3,464)	(3,464)	(3,464)	(13,856)
General Office Expense	3,250	(3,250)	-	-	(6,500)
Salaries & Benefits	11,000	(5,500)	-	-	(5,500)
Professional Services:					
Accountant	2,000	(2,000)	-	-	(5,500)
Economic development memberships	-	-	-	-	-
Community Outreach	-	-	-	-	-
Legal	1,500	(1,500)	-	-	(3,000)
<b>Total monthly operating expense</b>	<b>21,214</b>				
<b>Cash Balance end of month.</b>					
<b>Brackets ( ) denote negative cash position.</b>					
	26,592	(122)	(3,586)	(7,050)	(7,050)

## LEASE TERMINATION AGREEMENT

This Agreement is made this 28th day of December 2007, by and between Harsch Investment Realty, LLC, Series F, a Delaware limited liability company ("Landlord"), and Salton Sea Authority ("Tenant").

### Recitals

- A. Landlord and Tenant entered into a Lease dated January 8, 2007 (the "Lease"), covering certain premises located at 78-401 Highway 111, Suite T, La Quinta, California (the "Premises"). The original term of the Lease was for a period of twenty-four (24) months, commencing November 1, 2006, and expiring October 31, 2008.
- B. Tenant is currently in possession of the Premises, but wishes to terminate the Lease.
- C. Landlord and Tenant now desire an early termination to the Lease and a return of the Premises to Landlord upon the terms and conditions contained in this Agreement.

In consideration of the mutual recitals and covenants contained herein, the parties agree as follows:

- 1. Tenant shall surrender possession of the Premises directly to Landlord no later than 5:00 pm, January 11, 2007, by returning all of Tenant's keys to the Premises to Landlord's property manager.
- 2. Tenant shall pay to Landlord the one-time sum of \$10,392.00, and shall forfeit the Security Deposit held by Landlord in the amount of \$1,872.00.
- 3. Prior to surrender of the Premises, Tenant shall have:
  - a) made the payment called for in Paragraph 2;
  - b) vacated the space;
  - c) removed all of Tenant's personal property without damaging the Premises or any of Landlord's property; and
  - d) caused the Premises to be put in "broom clean" condition.
- 4. Subject to Tenant's compliance with the conditions contained in this Agreement, Landlord shall accept the surrender when made by Tenant and the Lease shall be canceled and terminated.
- 5. Upon termination, Landlord and Tenant shall each release the other (and each of their respective principals, agents, attorneys, employees, officers, successors and assigns) from any and all claims that they may have against the other for any matters arising out of or related to the Lease and Tenant's occupancy and use of the Premises, except as set forth in the last sentence of this Paragraph 5. Specifically, Landlord releases Tenant from the payment of any rent to have been paid pursuant to the Lease and any brokerage or tenant improvement costs related to releasing the Premises. Each party agrees to take any and all appropriate steps to implement the terms of this Lease Termination Agreement. Notwithstanding the foregoing, if Tenant shall have damaged the Premises or Landlord's property while vacating the space, upon written notice from Landlord, Tenant shall promptly make payment to Landlord for the reasonable cost of repairs.
- 6. Except for the reservations set forth herein, the parties specifically waive the benefits of the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The parties expressly agree that the general release contained herein shall be given full force and effect in accordance with each and all of its express terms and provisions, including without limitation those relating to unknown or unsuspected claims, demands and causes of action, if any, to the same effect as to the terms and provisions relating to any other claims, demands and causes of action hereinabove specified.

- 6. This Agreement may be signed on any number of counterparts with the same effect as if the signatures were on the same instrument when counterparts containing signatures from all of the parties are obtained by Landlord. A signed counterpart transmitted by facsimile shall be deemed sufficient to bind the transmitting party when sent, but any party submitting its signature in that fashion shall also be obligated to mail an originally signed counterpart to the other party promptly thereafter.

7. This Agreement shall be construed under the laws of the State of California.

Landlord:

Tenant:

Harsch Investment Realty, LLC, Series F

Salton Sea Authority

By \_\_\_\_\_

By \_\_\_\_\_

Print Name \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_